



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

801 K STREET • MS 19-01 • SACRAMENTO, CALIFORNIA 95814

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November 1, 2006

NOTICE

TO: All Interested Parties

SUBJECT: Workshops for Quality Incentive Payment (QIP) and Plastic Market Development Payment (MDP) Programs

Assembly Bill 3056 (Chapter 907, Statutes of 2006) provides funding for the Department of Conservation (Department) to establish two new programs to encourage the recycling, cleaning and processing of empty beverage containers into feedstock for manufacturers to use in new products.

The law provides up to \$15 million annually in Quality Incentive Payments to improve the quality and marketability of empty glass, plastic, and aluminum beverage containers collected by curbside recycling programs, or dropoff or collection programs. The QIP Program is effective January 1, 2007 (The current Quality Glass Incentive Payment Program is repealed as of that date).

The law also provides up to \$5 million annually until January 1, 2012, for Market Development Payments to certified entities or product manufacturers that wash and process empty plastic beverage containers in California or use them in manufacturing in California.

The Department has drafted emergency regulations to implement the new programs on January 1, 2007. The Department will hold two workshops to discuss the draft regulations and to solicit input on how to best to implement the programs. Comments received at the workshops may be used to change the draft regulations prior to filing the rulemaking package with the Office of Administrative Law.

The workshops will be held:

Monday, November 13, 2006

8:30 a.m. – 11:30 a.m. (QIP) and 1:00 p.m. - 4:00 p.m. (MDP)

**John Muir Conference Room, 20th Floor
Department of Conservation, 801 K Street
Sacramento, California**

Thursday, November 16, 2006
8:30 a.m. – 11:30 a.m. (QIP) and 1:00 p.m. - 4:00 p.m. (MDP)
Conference Room A, 1st Floor
CalTrans District 7 Offices, 100 South Main Street
Los Angeles, California

If you plan to attend, please email Karla Haas at karla.haas@conservation.ca.gov or call her at (916) 323-5878. If you are unable to attend either workshop and would like to submit comments for the Department's consideration, send them to Karla by email or to 801 K Street, MS 17-24, Sacramento, CA 95814. Written comments will be accepted until November 20, 2006.

Attached to this Notice are the draft regulations as well as text from AB 3056 establishing the QIP and MDP Programs.

As always, we look forward to working collaboratively with you to develop and expand markets for recycled beverage container materials.

If you have any questions, please contact Zenny Yagen of the Market Research Branch at (916) 327-5778.

Chuck Seidler
Acting Assistant Director for Recycling

BILL NUMBER: AB 3056 AMENDED

BILL TEXT

AMENDED IN SENATE - AUGUST 24, 2006

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SEC. 4. Section 14549.1 of the Public Resources Code is amended to read:

14549.1. In order to improve the quality and marketability of glass containers collected for recycling in the state by curbside recycling programs, the department may, consistent with Section 14581 and subject to the availability of funds, pay a quality glass incentive payment to either an operator of a curbside recycling program registered pursuant to Section 14551.5, or to any other entity certified pursuant to this division, that color sorts glass beverage containers for recycling. The total amount paid by the department pursuant to this section shall not exceed three million dollars (\$3,000,000) per calendar year. The department shall make a quality glass incentive payment based on all of the following:

(a) The amount of the quality glass incentive payment shall be up to thirty dollars (\$30) per ton, as determined by the department.

(b) The department shall make a quality glass incentive payment only for color-sorted glass beverage containers that are substantially free of contamination.

(c) The department shall make a quality glass incentive payment only for glass beverage containers that are either collected color sorted by curbside recycling programs, or collected commingled by curbside recycling programs and subsequently color sorted by the collector or any other entity certified pursuant to this division.

(d) Only one payment shall be made for each color-sorted glass beverage container collected.

(e) This section shall remain in effect until January 1, 2007, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2007, deletes or extends that date.

SEC. 5. Section 14549.1 is added to the Public Resources Code, to read:

14549.1. (a) In order to improve the quality and marketability of empty beverage containers collected for recycling in the state by curbside recycling programs or dropoff

or collection programs, the department may, consistent with Section 14581 and subject to the availability of funds, pay a quality incentive payment for each material type, as specified in subdivision (c).

(b) The department may make a quality incentive payment pursuant to this section to either an operator of a curbside recycling program registered pursuant to Section 14551.5, or to any other entity certified pursuant to this division.

(c) Subject to subdivision (a), the department shall pay a quality incentive payment for each type of beverage container material in accordance with the following conditions:

(1) For quality incentive payments for empty glass beverage containers, all of the following shall apply:

(A) The department may make a quality incentive payment only for color-sorted glass beverage containers that are substantially free of contamination.

(B) The department may make a quality incentive payment for empty glass beverage containers that are either collected color sorted by curbside recycling programs or dropoff or collection programs, or that are collected mixed color by curbside recycling programs or dropoff or collection programs and are subsequently color sorted by the collector or any other entity certified pursuant to this division.

(C) The amount of the quality incentive payment for empty glass beverage containers shall be up to sixty dollars (\$60) per ton, as determined by the department.

(2) For quality incentive payments for empty plastic beverage containers, both of the following shall apply:

(A) The department may make a quality incentive payment only for plastic beverage containers collected by curbside recycling programs or dropoff or collection programs, that are sorted by resin type, consistent with any quality specifications that the department may adopt.

(B) The amount of the quality plastic incentive payment shall be up to one hundred eighty dollars (\$180) per ton, as determined by the department.

(3) For quality payments for empty aluminum beverage containers, all of the following shall apply:

(A) The department may make a quality incentive payment only for aluminum beverage containers that are free of any and all metallic and nonmetallic items, other than used aluminum containers.

(B) The department may make a quality incentive payment for empty aluminum beverage containers that are collected commingled by curbside recycling programs or dropoff or collection programs, and subsequently cleaned by the collector or any other entity certified pursuant to this division, of any and all metallic and nonmetallic items, other than used aluminum containers, consistent with any quality specifications that the department may adopt.

(C) The amount of the quality incentive payment for empty aluminum beverage containers shall be up to one hundred twenty-five dollars (\$125) per ton, as determined by the department.

(d) An operator of a curbside recycling program or any other certified entity receiving a quality incentive payment shall make available for inspection and review any relevant record that the department determines is necessary to verify the accuracy of data upon which the quality incentive payment is based and the operator's or certified entity's compliance with any applicable regulation.

(e) The department may make only one quality incentive payment for each empty beverage container collected pursuant to this section.

(f) This section shall become operative on January 1, 2007.

SEC. 6. Section 14549.2 is added to the Public Resources Code, to read:

14549.2. (a) For purposes of this section, the following definitions shall apply:

(1) "Certified entity" means a recycling center, processor, or dropoff or collection program certified pursuant to this division.

(2) "Product manufacturer" means any person who manufactures a plastic product in this state.

(b) In order to develop California markets for empty plastic beverage containers collected for recycling in the state, the department may, consistent with Section 14581 and subject to the availability of funds, pay a market development payment to a certified

entity or product manufacturer for empty plastic beverage containers collected and managed pursuant to this section.

(c) The department shall make a market development payment to a certified entity or product manufacturer in accordance with this section, only if the plastic beverage container is collected and either recycled or used in manufacturing, in the state, as follows:

(1) The department shall make a market development payment to a certified entity for empty plastic beverage containers that are collected for recycling in the state, that are subsequently washed and processed by a certified entity into a flake, pellet, or other form in the state, and made usable for the manufacture of a plastic product by a product manufacturer.

(2) The department shall make a market development payment to a product manufacturer for empty plastic beverage containers that are collected for recycling in the state, that are subsequently washed and processed into a flake, pellet or other form in the state, and used by that product manufacturer to manufacture a product in this state.

(3) The department shall determine the amount of the market development payment, which may be set at a different level for a certified entity and a product manufacturer, but shall not exceed one hundred fifty dollars (\$150) per ton.

(4) The department may make a market development payment to both a certified entity and a product manufacturer for the same empty plastic beverage container.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.

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DRAFT Quality Incentive Payment Program

SUBCHAPTER 11.5. QUALITY GLASS INCENTIVE PAYMENTS

Article 1. General Requirements

§2850. QUALITY GLASS INCENTIVE PAYMENTS

~~—(a) The Division may pay a quality glass incentive payment, as determined by the Division, to any entity certified pursuant to the Act for glass which is collected by curbside programs and color sorted and substantially free of contamination. Payments shall be made directly to the certified entity that color sorts the glass beverage containers for recycling.~~

~~—(b) For glass beverage containers that are color sorted prior to completion of the Shipping Report (DR-6 (11/05)), the eligible sorting facility shall be identified on the Shipping Report, as specified in Sections 2425(e); or 2530(f) and the Shipping Report (DR-6 (11/05)) shall constitute the claim for the quality glass incentive payment.~~

~~—(c) For glass beverage containers that are color sorted subsequent to completion of the Shipping Report Form, the certified entity that claims a quality glass incentive payment for color sorted glass shall submit a Quality Glass Incentive Payment Claim Form (DOR-56 (11/05)) to the Division for each calendar month in which the quality glass incentive payment is being claimed. To be eligible to submit Quality Glass Incentive Payment Claim Forms (DOR-56 (11/05)), the sorting facility shall submit a request and receive approval from the Division for authorization to submit claims.~~

~~(1) The request for authorization must include the methodology developed by the sorting facility to attribute the color sorted glass beverage container materials to the types of programs from which they were received to ensure that glass materials collected by sources other than curbside programs are excluded from the amount claimed for quality glass incentive payments.~~

~~(2) The Division shall notify the applicant in writing within (15) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:~~

~~(A) Complete and accepted for further review, or~~

~~(B) Incomplete and the reasons for the deficiency.~~

~~—(3) The Division shall review and consider each request for authorization to submit claims for quality glass incentive payments for post shipping report color sorted glass materials and issue a written approval or denial within forty five (45) calendar days from receipt of the complete and accepted request. Upon approval, the authorization to submit claims for quality glass incentive payments for post shipping report color sorted glass materials, as specified in Section 2850(c), shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the sorting facility, or suspended or revoked by the Division.~~

~~—(4) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:~~

~~—(A) The sorting facility does not ensure that mixed color glass received from entities other than curbside programs are excluded from the claim;~~

~~—(B) The sorting facility does not account for each incoming load of mixed color glass;~~

~~—(C) The claim for quality glass incentive payment is not based on the color sorted weight;~~

~~—(D) The sorting facility fails to maintain inventory records that show shipped and received materials by color; and,~~

~~—(E) The sorting facility has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.~~

~~(5) A sorting facility may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty (30) calendar days of being served with a denial, revocation, or suspension of an authorization to submit claims for quality glass incentive payments for post shipping report color sorted glass materials. All written requests shall include:~~

~~—(A) A copy of the notice denying the authorization to submit claims for quality glass incentive payments for post shipping report color sorted glass materials;~~

~~—(B) A detailed explanation of the grounds for reconsideration; and,~~

~~—(C) Any other documentation that supports the request.~~

~~(6) A written decision on the request for reconsideration shall be sent to the sorting facility within twenty (20) calendar days of the receipt of the request.~~

~~(7) To be eligible for payment, the Quality Glass Incentive Payment Claim Form (DOR 56 (01/02)) must be postmarked no later than the first day of the second month following the reporting month. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each certified entity.~~

~~(8) Each Quality Glass Incentive Payment Claim Form (DOR 56 (01/02)) must include all of the following information:~~

~~—(A) The month for which the claim is submitted;~~

~~—(B) The facility name, mailing address, and certification number of the entity submitting a claim for quality glass incentive payments;~~

~~—(C) The name and phone number of a contact person;~~

~~—(D) The redemption weight to tenths of tons of color sorted glass claimed;~~

~~—(E) The signature and title of an authorized representative; and~~

~~—(F) The date the report was signed by the authorized representative under penalty of perjury.~~

~~—(d) The quality glass incentive payment may be denied or reduced if the Division has prevailed against the certified entity in a civil or administrative action and money is owed to the Division as a result of the action.~~

~~—(e) For the purpose of Section 14549.1 of the Act and these regulations, the following definitions shall apply:~~

~~(1) “Color sorted glass” means glass that has been sorted into flint, amber, or green fractions, and would be acceptable to a beneficiating processor.~~

~~(2) “Substantially free of contamination” means glass that has been substantially cleaned of non-glass contaminants.~~

~~Authority: Sections 14530.5(b) and 14536, Public Resources Code. Reference: Sections 14549.1 and 14552, Public Resources Code; and Section 15376, Government Code.~~

SUBCHAPTER 11.5. QUALITY INCENTIVE PAYMENTS

Article 1: General Requirements

§2850. QUALITY INCENTIVE PAYMENTS

(a) The Division may pay a quality incentive payment to any entity certified pursuant to the Act and subject to the availability of funds, for empty glass, plastic and aluminum beverage containers collected by either a registered curbside program or a dropoff or collection program, or to any other entity that meets specified conditions.

(b) For **empty glass beverage containers**, a quality incentive payment shall be made for empty glass beverage containers either color sorted by registered curbside programs, dropoff or collection programs, or that are collected mixed color by registered curbside programs, dropoff or collection programs and are subsequently color sorted by the collector or any other entity certified pursuant to the Division. Payments shall be made directly to the certified entity that color-sorts the glass beverage containers for recycling.

(1) For glass beverage containers that are color sorted prior to completion of the Shipping Report (DR6 (10/06)), the eligible sorting facility shall be identified on the Shipping Report, as specified in Sections 2425(e) or 2530(f), and the Shipping Report (DR6 (10/06)) shall constitute the claim for the quality incentive payment.

- (2) For glass beverage containers that are color sorted subsequent to the completion of the Shipping Report (DR6 (10/06)), the certified entity that claims a quality incentive payment for color sorted glass shall submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)) to the Division for each calendar month in which the quality incentive payment is being claimed. To be eligible to submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)), the sorting facility shall submit a request and receive approval from the Division for authorization to submit claims.
- (A) The request for authorization must include the methodology developed by the sorting facility to attribute the color sorted glass beverage container materials to the types of programs from which they were received to ensure that glass materials collected by sources other than curbside programs, or dropoff or collection programs are excluded from the amount claimed for quality incentive payments.
 - (B) The Division shall notify the applicant in writing within (15) days working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:
 - (i) Complete and accepted for further review, or
 - (ii) Incomplete and the reasons for the deficiency.
 - (C) The Division shall review and consider each request for authorization to submit claims for quality incentive payments for post shipping report color sorted glass beverage container materials and issue a written approval or denial within forty-five (45) calendar days from receipt of the complete and accepted request. Upon approval, the authorization to submit claims for quality incentive payments for post shipping report color sorted glass beverage container materials, as specified in Section 2850(c), shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the sorting facility, or suspended or revoked by the Division.
 - (D) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:
 - (i) The sorting facility does not ensure that mixed color glass beverage container materials received from entities other than curbside programs, dropoff and collection programs are excluded from the claim;
 - (ii) The sorting facility does not account for each incoming load of mixed color glass beverage container materials;
 - (iii) The claim for quality incentive payment is not based on the color sorted weight;
 - (iv) The sorting facility fails to maintain inventory records that show shipped and received materials by color; and,
 - (v) The sorting facility has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.
 - (E) A sorting facility may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty (30) calendar days of being served with a denial, revocation, or suspension of an authorization to submit claims for quality incentive payments for post shipping report color sorted glass materials. All written requests shall include:
 - (i) A copy of the notice denying the authorization to submit claims for quality incentive payments for post shipping report color sorted glass beverage container materials;

- (ii) A detailed explanation of the grounds for reconsideration; and,
 - (iii) Any other documentation that supports the request.
- (F) A written decision on the request for reconsideration shall be sent to the sorting facility within twenty (20) calendar days of the receipt of the request.
- (G) To be eligible for payment, the Quality Incentive Payment Claim Form (DOR 56 (10/06)), must be postmarked no later than the first day of the second month following the reporting month. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each certified entity.
- (H) Each Quality Incentive Payment Claim Form (DOR 56 (10/06)), must include all of the following information:
 - (i) The month for which the claim is submitted;
 - (ii) The facility name, mailing address, and certification number of the entity submitting a claim for quality incentive payments;
 - (iii) The name and phone number of a contact person;
 - (iv) The redemption weight to tenths of tons of color sorted glass beverage container materials claimed;
 - (v) The signature and title of an authorized representative; and
 - (vi) The date the report was signed by the authorized representative under penalty of perjury.
- (3) The quality incentive payment may be denied or reduced if the Division has prevailed against the certified entity in a civil or administrative action and money is owed to the Division as a result of the action.
- (4) For the purpose of Section 14549.1 of the Act and these regulations, the following definitions apply:
 - (A) "Color sorted glass" means glass that has been sorted into flint, amber, or green fractions, and would be acceptable to a beneficiating processor.
 - (B) "Substantially free of contamination" means glass that has been substantially cleaned of non-glass contaminants.
- (c) For **empty plastic beverage containers**, a quality incentive payment shall be made for empty plastic beverage containers sorted into individual resin types (PET #1, HDPE #2, PVC #3, LDPE #4, PP #5, PS #6, or Other #7) by registered curbside programs, by dropoff or collection programs, or by processors certified by the Division. Payments shall be made directly to the certified entity that sorts the plastic beverage containers and that meets the minimum quality specifications in subparagraph (3).
 - (1) For plastic beverage containers that are sorted by individual resin types prior to completion of the Shipping Report (DR6 (10/06)), the eligible sorting facility shall be identified on the Shipping Report, as specified in Sections 2425(e) or 2530(f), and the Shipping Report shall constitute the claim for the quality incentive payment.
 - (2) For plastic beverage containers that are sorted by individual resin types subsequent to the completion of the Shipping Report (DR6 (10/06)), the certified entity that claims a quality incentive payment for sorted plastic shall submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)) to the Division for each calendar month in which the quality incentive payment is being claimed. To be eligible to submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)), the sorting facility shall submit a request and receive approval from the Division for authorization to submit claims.
 - (A) The request for authorization must include the methodology developed by the sorting facility to attribute the sorted plastic beverage container materials to the types of programs from which they were received to ensure that plastic materials collected by sources other than curbside programs, or dropoff or

collection programs are excluded from the amount claimed for quality incentive payments.

- (B) The Division shall notify the applicant in writing within (15) days working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:
 - (i) Complete and accepted for further review, or
 - (ii) Incomplete and the reasons for the deficiency.
- (C) The Division shall review and consider each request for authorization to submit claims for quality incentive payments for post shipping report sorted plastic beverage container materials and issue a written approval or denial within forty-five (45) calendar days from receipt of the complete and accepted request. Upon approval, the authorization to submit claims for quality incentive payments for post shipping report sorted plastic beverage container materials, as specified in Section 2850(c), shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the sorting facility, or suspended or revoked by the Division.
- (D) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:
 - (i) The sorting facility does not ensure that mixed plastic beverage container materials received from entities other than curbside programs, or dropoff and collection programs are excluded from the claim;
 - (ii) The sorting facility does not account for each incoming load of mixed plastic beverage container materials;
 - (iii) The claim for quality incentive payment is not based on the resin-sorted weight;
 - (iv) The sorting facility fails to maintain inventory records that show shipped and received materials by resin type; and,
 - (v) The sorting facility has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.
- (E) A sorting facility may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty (30) calendar days of being served with a denial, revocation, or suspension of an authorization to submit claims for quality incentive payments for post shipping report sorted plastic materials. All written requests shall include:
 - (i) A copy of the notice denying the authorization to submit claims for quality incentive payments for post shipping report sorted plastic beverage container materials;
 - (ii) A detailed explanation of the grounds for reconsideration; and,
 - (iii) Any other documentation that supports the request.
- (F) A written decision on the request for reconsideration shall be sent to the sorting facility within twenty (20) calendar days of the receipt of the request.
- (G) To be eligible for payment, the Quality Incentive Payment Claim Form (DOR 56 (10/06)), must be postmarked no later than the first day of the second month following the reporting month. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each certified entity.
- (H) Each Quality Incentive Payment Claim Form (DOR 56 (10/06)), must include all of the following information:

- (i) The month for which the claim is submitted;
 - (ii) The facility name, mailing address, and certification number of the entity submitting a claim for quality incentive payments;
 - (iii) The name and phone number of a contact person;
 - (iv) The redemption weight to tenths of tons of sorted plastic beverage container materials claimed;
 - (v) The signature and title of an authorized representative; and
 - (vi) The date the report was signed by the authorized representative under penalty of perjury.
- (3) The eligible sorting facility shall, at a minimum, adhere to all of the following quality specifications or practices for handling the empty plastic beverage container material:
 - 1. The sorted beverage containers are free of contents or free-flowing liquids; oil and grease; and medical or hazardous waste.
 - 2. Sorted PET beverage containers are free of PVC resin in any form.
 - 3. Bale integrity must be maintained throughout loading, shipping, unloading and storage.
 - 4. Material is stored indoors, or covered outdoors if stored longer than two weeks (for PET material) or four weeks (for other resins).
 - 5. Material is stored off the ground prior to shipping.
- (4) The quality incentive payment may be denied or reduced if the Division has prevailed against the certified entity in a civil or administrative action and money is owed to the Division as a result of the action.
- (d) **For empty aluminum beverage containers**, a quality incentive payment shall be made for empty aluminum beverage containers that are collected by registered curbside programs, or by dropoff or collection programs certified by the Division, and free of all metallic and non-metallic material other than used aluminum beverage containers. Payments shall be made directly to the certified entity that sorts and cleans the aluminum beverage containers and that meets the minimum quality specifications in subparagraph (3).
 - (1) For empty aluminum beverage containers that are sorted and cleaned prior to completion of the Shipping Report (DR6 (10/06)), the eligible sorting facility shall be identified on the Shipping Report, as specified in Sections 2425(e) or 2530(f), and the Shipping Report shall constitute the claim for the quality incentive payment.
 - (2) For aluminum beverage containers that are sorted and cleaned subsequent to the completion of the Shipping Report (DR6 (10/06)), the certified entity that claims a quality incentive payment for sorted aluminum shall submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)) to the Division for each calendar month in which the quality incentive payment is being claimed. To be eligible to submit a Quality Incentive Payment Claim Form (DOR 56 (10/06)), the sorting facility shall submit a request and receive approval from the Division for authorization to submit claims.
 - (A) The request for authorization must include the methodology developed by the sorting facility to attribute the sorted and cleaned aluminum beverage container materials to the types of programs from which they were received to ensure that aluminum materials collected by sources other than curbside programs, or dropoff or collection programs are excluded from the amount claimed for quality incentive payments.
 - (B) The Division shall notify the applicant in writing within (15) days working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:
 - (i) Complete and accepted for further review, or
 - (ii) Incomplete and the reasons for the deficiency.

- (C) The Division shall review and consider each request for authorization to submit claims for quality incentive payments for post shipping report sorted aluminum beverage container materials and issue a written approval or denial within forty-five (45) calendar days from receipt of the complete and accepted request. Upon approval, the authorization to submit claims for quality incentive payments for post shipping report sorted aluminum beverage container materials, as specified in Section 2850(c), shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the sorting facility, or suspended or revoked by the Division.
- (D) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:
- (i) The sorting facility does not ensure that mixed aluminum materials received from entities other than curbside programs, or dropoff and collection programs are excluded from the claim;
 - (ii) The sorting facility does not account for each incoming load of mixed aluminum materials;
 - (iii) The claim for quality incentive payment is not based on the sorted and cleaned weight;
 - (iv) The sorting facility fails to maintain inventory records that show shipped and received materials by material type; and,
 - (v) The sorting facility has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.
- (E) A sorting facility may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty (30) calendar days of being served with a denial, revocation, or suspension of an authorization to submit claims for quality incentive payments for post shipping report sorted aluminum materials. All written requests shall include:
- (i) A copy of the notice denying the authorization to submit claims for quality incentive payments for post shipping report sorted aluminum beverage container materials;
 - (ii) A detailed explanation of the grounds for reconsideration; and,
 - (iii) Any other documentation that supports the request.
- (F) A written decision on the request for reconsideration shall be sent to the sorting facility within twenty (20) calendar days of the receipt of the request.
- (G) To be eligible for payment, the Quality Incentive Payment Claim Form (DOR 56 (10/06)), must be postmarked no later than the first day of the second month following the reporting month. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each certified entity.
- (H) Each Quality Incentive Payment Claim Form (DOR 56 (10/06)), must include all of the following information:
- (i) The month for which the claim is submitted;
 - (ii) The facility name, mailing address, and certification number of the entity submitting a claim for quality incentive payments;
 - (iii) The name and phone number of a contact person;
 - (iv) The redemption weight to tenths of tons of sorted and cleaned aluminum beverage container materials claimed;
 - (v) The signature and title of an authorized representative; and

- (vi) The date the report was signed by the authorized representative under penalty of perjury.
- (3) The eligible sorting facility shall, at a minimum, adhere to the following quality specifications or practices for handling the empty aluminum beverage container material:
 - (A) The sorted beverage containers meet the requirements for shipping postconsumer aluminum can scrap as specified in the most current "Scrap Specifications Circular" published by the Institute of Scrap Recycling Industries (ISRI), unless the sorting facility negotiates alternative requirements with a customer.
- (4) The quality incentive payment may be denied or reduced if the Division has prevailed against the certified entity in a civil or administrative action and money is owed to the Division as a result of the action.



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

801 K STREET • MS 17-24 • SACRAMENTO, CALIFORNIA 95814
 PHONE 916 / 323-5778 • FAX 916 / 445-0645 • TDD 916 / 324-2555 • WEBSITE conservation.ca.gov

QUALITY INCENTIVE PAYMENT CLAIM FORM

DOR 56 (09/06)

APPLICATION FOR THE MONTH OF: _____, 20

CERTIFICATION NUMBER

FACILITY NAME

MAILING ADDRESS

CONTACT PERSON

TELEPHONE NUMBER

COLOR SORTED GLASS:

REDEMPTION WEIGHT
(TENTH OF TONS)

PLASTIC SORTED BY RESIN TYPE:

#1 PET

#2 HDPE

#3 PVC

#4 LDPE

#5 PP

#6 PS

#7 Other

REDEMPTION WEIGHT
(TENTH OF TONS)

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ALUMINUM:

REDEMPTION WEIGHT
(TENTH OF TONS)

To be eligible to submit Quality Incentive Payment Claim Forms DOR 56 (09/06), the sorting facility must have a Division approved methodology to attribute beverage container materials to the types of programs from which they were received.

The Division shall pay a Quality Incentive Payment for:

Glass which is collected by curbside programs or dropoff and collection programs, color sorted and substantially free of contamination;
 Plastic which is collected by curbside or dropoff and collection programs, that are sorted by resin type and substantially free of contamination;
 Aluminum which is collected commingled by curbside, dropoff and collection programs, subsequently cleaned of any and all metallic and nonmetallic items other than aluminum containers.

To be eligible for payment, a Quality Incentive Payment Claim Form DOR 56 (09/06) must be submitted to the Division, no later than the first day of the second month following the reporting month. Applications postmarked after this date or incomplete applications may be denied payment.

I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

SIGNATURE AND TITLE OF AUTHORIZED REPRESENTATIVE

DATE

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POST-CONSUMER ALUMINUM CAN SCRAP

Shall consist of old aluminum food and/or beverage cans. The material is to be free of other scrap metals, foil, tin cans, plastic bottles, paper, glass, and other non-metallic items. Variations to this specification should be agreed upon prior to shipment between the buyer and seller.

SHREDDED ALUMINUM USED BEVERAGE CAN (UBC) SCRAP

Shall have a density of 12 to 17 pounds per cubic foot (193 to 273 kg/m³). Material should contain maximum 5% fines less than 4 mesh (U.S. standard screen size) (6.35 mm). Must be magnetically separated material and free of steel, lead, bottle caps, plastic cans and other plastics, glass, wood, dirt, grease, trash, and other foreign substances. Any free lead is basis for rejection. Any and all aluminum items, other than used beverage cans, are not acceptable. Variations to this specification should be agreed upon prior to shipment between the seller and buyer.

DENSIFIED ALUMINUM USED BEVERAGE CAN (UBC) SCRAP

Shall have a biscuit density of 35 to 50 pounds per cubic foot (562 to 802 kg/m³). Each biscuit shall not exceed 60 pounds (27.2 kg). Nominal biscuit size range from 10" to 13" x 10 1/4" (25.4 x 33 x 26 cm) to 20" x 6 1/4" x 9" (50.8 x 15.9 x 22.9 cm). Shall have banding slots in both directions to facilitate bundle banding. All biscuits comprising a bundle must be of uniform size. Size: Bundle range dimensions acceptable are 41" to 44" x 51" (104 to 112 cm) to 54" x 54" (137 x 137 cm) to 56" (142 cm) high. The only acceptable tying method shall be as follows: Using minimum 5/8" (1.6 cm) wide by .020" (.05 cm) thick steel straps, the bundles are to be banded with one vertical band per row and a minimum of two firth (horizontal) bands per bundle. Use of skids and/or support sheets of any material is not acceptable. Must be magnetically separated material and free of steel, lead, bottle caps, plastic cans and other plastic, glass, wood, dirt, grease, trash, and other foreign substances. Any free lead is basis for rejection. Any and all aluminum items, other than used beverage cans, are not acceptable. Items not covered in the specifications, including moisture, and any variations to this specification should be agreed upon prior to shipment between the seller and buyer.

BALED ALUMINUM USED BEVERAGE CAN (UBC) SCRAP

Shall have a minimum density of 14 pounds per cubic foot (225 kg/m³), and a maximum density of 17 pounds per cubic foot (273 kg/m³) for un-flattened UBC

and 22 pounds per cubic foot (353 kg/m³) for flattened UBC. Size: Minimum 30 cubic feet (.85 m³), with bale range dimensions of 24" to 40" (61 to 132 cm) by 30" to 52" (76 to 132 cm) by 40" to 84" (102 to 213 cm). The only acceptable tying method shall be as follows: four to six 5/8" (1.6 cm) x .020" (5 mm) steel bands, or six to ten #13 gauge steel wires (aluminum bands or wires are acceptable in equivalent strength and number). Use of skids and/or support sheets of any material is not acceptable. Must be magnetically separated material and free of steel, lead, bottle caps, plastic cans and other plastic, glass, wood, dirt, grease, trash, and other foreign substances. Any free lead is basis for rejection. Any and all aluminum items, other than used beverage cans, are not acceptable. Variations to this specification should be agreed upon prior to shipment between the buyer and seller.

BRIQUETUED ALUMINUM USED BEVERAGE CAN (UBC) SCRAP

Shall have a briquette density of 50 pounds per cubic foot (800 kg/m³) minimum. Nominal briquette size shall range from 12" to 24" (30.5 x 61 cm) x 12" to 24" (30.5 x 61 cm) in uniform profile with a variable length of 8" (20.3 cm) minimum and 48" (122 cm) maximum. Briquettes shall be bundled or stacked on skids and secured with a minimum of one vertical band per row and a minimum of one girth band per horizontal layer. Briquettes not to overhang pallet. Total package height shall be 48 (122 cm) maximum. Banding shall be at least 5/8" (1.6 cm) wide by .020" (5 mm) thick steel strapping or equivalent strength. The weight of any bundle shall not exceed 4,000 pounds (1.814 mt). Material must be magnetically separated and free of steel, plastic, glass, dirt and all other foreign substances. Any and all aluminum items other than UBC are unacceptable. Any free lead is basis for rejection. Items not covered in the specification, including moisture, and any variations to this specification should be agreed upon prior to shipment between the buyer and seller.

DRAFT Market Development Payment Program

SUBCHAPTER XX. PLASTIC MARKET DEVELOPMENT PAYMENTS

§2XXX. PLASTIC MARKET DEVELOPMENT PAYMENTS

- (a) The Division may pay a Plastic Market Development payment for empty plastic beverage containers that are collected in California and subsequently washed and processed into flake, pellet or other form by a certified entity in California and actually used by a manufacturer who manufactures a plastic product in California.
 - (1) The Division may make payments for both the certified entity actually washing and producing the flake, pellet or other form, and for the plastic product manufacturer, but the combined total of payments shall not exceed \$150 per ton of qualifying plastic beverage container material.
 - (2) The certified entity washing and producing the flake, pellet or other form shall pay the plastic product manufacturer two-thirds of the Plastic Market Development payment received from the Division.
 - (3) The certified entity shall make the payment required in subdivision (2) within two working days of the date the entity receives the Plastic Market Development payment.
- (b) An entity that washes and processes qualifying plastic beverage container material, and also manufactures an intermediate plastic product in California from qualifying plastic beverage container material, shall be eligible for only one Plastic Market Development payment for the same empty plastic beverage container.
 - (1) A California plastic product manufacturer that purchases an intermediate plastic product described in subdivision (b) made entirely from qualifying plastic beverage container material and subsequently manufactures a plastic product in California from that material, shall be eligible for a Plastic Market Development payment.
 - (2) The certified entity producing the intermediate plastic product shall pay the plastic product manufacturer two-thirds of the Plastic Market Development payment received from the Division.
 - (3) The certified entity shall make the payment required in subdivision (2) within two working days of the date the entity receives the Plastic Market Development payment.
- (c) Certified entities that wash and flake or otherwise process empty plastic beverage containers to make them usable in California manufacturing shall submit a Plastic Market Development Payment Claim Form (DOR XX (10/06)) to the Division for each calendar quarter in which the payment is being claimed.
 - (1) Each Plastic Market Development Payment Claim Form (DOR XX (10/06)), must include all of the following information:
 - (A) The quarter for which the claim is submitted;
 - (B) The facility name, mailing address, and certification number of the entity submitting a claim for Plastic Market Development payments;
 - (C) The name, California mailing address, and phone number of each plastic product manufacturer purchasing the qualifying plastic beverage container material for use in California manufacturing;
 - (D) The name and phone number of a contact person;
 - (E) The weight to tenths of tons of qualifying plastic beverage container material claimed; and supporting documents including:

- (i) A bill of sale indicating the claimed amount of qualifying plastic beverage container material was sold to the plastic product manufacturers in subparagraph (C):
 - (ii) A list of the products or products manufactured in California by the purchaser(s) using the claimed qualifying plastic beverage container material.
 - (iii) A written statement by the plastic product manufacturers in subparagraph (C) confirming that the purchased material will be used in California.
- (F) The signature and title of an authorized representative; and
- (G) The date the report was signed by the authorized representative under penalty of perjury.
- (d) To be eligible to submit a Plastic Market Development Payment Claim Form (DOR XX (10/06)), the certified entity submitting a claim shall submit a request and receive approval from the Division for authorization to submit claims.
 - (1) The request for authorization must include the methodology developed by the entity to ensure that the claim excludes any materials derived from sources of plastic that are not California Refund Value beverage containers.
 - (2) The Division shall notify the applicant in writing within (15) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:
 - (A) Complete and accepted for further review, or
 - (B) Incomplete and the reasons for the deficiency.
 - (3) The Division shall review and consider each request for authorization to submit claims for Plastic Market Development payments and issue a written approval or denial within forty-five (45) calendar days from receipt of the complete and accepted request. Upon approval, the authorization to submit claims for Plastic Market Development payments, as specified in Section 2XXX(x), shall be valid for a period of three (3) years from the date of approval, or until such time as the authorization is surrendered by the entity making claims, or suspended or revoked by the Division.
 - (4) Reasons for denying a request for authorization, or for suspending or revoking an approved authorization may include, but shall not be limited to any of the following:
 - (A) The claiming entity does not ensure that materials derived from sources of plastic that are not California Refund Value beverage containers are excluded from the claim;
 - (B) The claiming entity does not account for each incoming load of empty plastic beverage containers;
 - (C) The claim for the Plastic Market Development payment is not based on the weight of qualifying beverage container material only;
 - (D) The claiming entity fails to maintain inventory records that show shipped and received qualifying plastic beverage container material;
 - (E) The claiming entity fails to maintain records that show the name, California mailing address, and phone number of each plastic product manufacturer purchasing the qualifying plastic beverage container material for use in California manufacturing;
 - (F) The claiming entity fails to maintain records that show the products or products manufactured in California by the purchaser(s) using the claimed qualifying plastic beverage container material, and;
 - (G) The claiming entity has been found to be in violation of any provision of the Act, or any regulations adopted pursuant to the Act.
 - (5) A claiming entity may request reconsideration of a denial, suspension, or revocation of an authorization by submitting a written request for reconsideration to the Division within thirty

(30) calendar days of being served with a denial, revocation, or suspension of an authorization to submit claims for Plastic Market Development payments. All written requests shall include:

(A) A copy of the notice denying the authorization to submit claims for Plastic Market Development payments;

(B) A detailed explanation of the grounds for reconsideration; and,

(C) Any other documentation that supports the request.

(6) A written decision on the request for reconsideration shall be sent to the claiming entity within twenty (20) calendar days of the receipt of the request

(e) To be eligible for payment, the Plastic Market Development Payment Claim Form (DOR XX (10/06)), must be postmarked no later than the first day of the second month following the reporting quarter. Claims postmarked after this date or incomplete claims may be denied payment. A separate claim shall be completed by each certified entity or product manufacturer.

(f) For the purpose of Section 14549.2 of the Act and these regulations, the following definitions apply.

(1) "Qualifying plastic beverage container material" means empty plastic California Refund Value beverage containers that have been collected, washed, processed into flake or pellet or some other form, and accepted for purchase by a plastic product manufacturer for use in California.

(2) "Made usable" means washed, processed into flake or pellet or some other form, and accepted for purchase by a plastic product manufacturer for use in California.

(3) "Plastic product" means a durable good or package in its final form with no further processing or forming required before it is offered for retail sale to a buyer.

(4) "Intermediate plastic product" means a durable good that is intended to be further processed or formed into a final plastic product before it will be offered for retail sale.

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**DEPARTMENT OF CONSERVATION****DIVISION OF RECYCLING**

801 K STREET • MS 17-24 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 323-5778 • FAX 916 / 445-0645 • TDD 916 / 324-2555 • WEBSITE conservation.ca.gov

MARKET DEVELOPMENT PAYMENT CLAIM FORM

DOR xxx (10/06)

APPLICATION FOR QUARTER: (check one)

1st	2nd	3rd	4th

Year: _____

CERTIFICATION NUMBER

FACILITY NAME

MAILING ADDRESS

CONTACT PERSON

TELEPHONE NUMBER

QUALIFYING PLASTIC BEVERAGE
CONTAINER MATERIAL:

#1 PET

#2 HDPE

#3 PVC

#4 LDPE

#5 PP

#6 PS

#7 Other

REDEMPTION WEIGHT
(TENTH OF TONS)

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To be eligible to submit a payment claim Form XX the facility must wash and process qualifying plastic beverage container material, or manufacture an intermediate plastic product in California from qualifying plastic beverage container material. The applicant shall be eligible for only one Plastic Market Development payment for the same empty plastic beverage container.

The Division may make payments for both the certified entity actually washing and producing the flake, pellet or other form, and for the plastic product manufacturer, but the combined total of payments shall not exceed \$150 per ton of qualifying plastic beverage container material.

I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

SIGNATURE AND TITLE OF AUTHORIZED REPRESENTATIVE

DATE

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